

Chapter 2 – Public Participation

Contents

2 Public Participation	32
2.1 Scoping Period	33
2.1.1 Public Meetings	33
2.1.2 Written Comments	34
2.1.3 Results of the Scoping Process	35
2.2 Analysis and Evaluation Period	37
2.2.1 Stakeholders' Review Group	37
2.2.2 Quarterly Public Briefings	40
2.2.3 Phone Survey	40
2.2.4 Overview of Comments Received During the Analysis and Evaluation Period	41
2.2.5 Stakeholder Concerns	41
2.3 Draft IRP Public Comment Period	42
2.3.1 Public Meetings	43
2.3.2 Webinars	43
2.3.3 Written Comments	43
2.3.4 Overview of Comments Received During Draft IRP Public Comment Period	43

2 Public Participation

Public participation is a significant component of the IRP process. TVA has purposefully set out to elicit and incorporate a broad range of public input into the development of the IRP to ensure that stakeholder viewpoints, concerns and aspirations have been adequately addressed.

To better facilitate public participation, TVA is disseminating a broad range of information to the public, including information about why TVA is developing an IRP, how the IRP is

Chapter 2 – Public Participation

developed, what the IRP analyses show, and how results will be used to guide decision making for years to come.

There are three principal times during the IRP process in which public participation is actively solicited:

1. Scoping Period
2. Analysis and Evaluation Period
3. Release Draft IRP and Solicit Public Comment Period

2.1 Scoping Period

TVA began the 60-day public scoping period of the IRP on June 15, 2009. In addition to publishing an official notice in the Federal Register, TVA announced the start of the process in newspapers throughout the Valley, media releases, as well as the project website. Key analytical elements such as scenario planning, resource options and evaluation criteria were drawn from public comments during the scoping period.

TVA used two primary techniques to collect public input during the scoping period:

1. Public Meetings
2. Written Comments

2.1.1 Public Meetings

During the scoping period, TVA held seven public meetings across the Tennessee Valley. The meetings were conducted in an informal, open house format to give participants an opportunity to express concerns, ask questions, or provide comments. These meetings, announced in local and regional newspapers and other media, were held in the following cities:

- Monday, July 20, 2009 Nashville, Tenn.
- Tuesday, July 21, 2009 Chattanooga, Tenn.
- Thursday, July 23, 2009 Knoxville, Tenn.
- Tuesday, July 28, 2009 Huntsville, Ala.
- Thursday, July 30, 2009 Hopkinsville, Ky.
- Tuesday, August 4, 2009 Starkville, Miss.
- Thursday, August 6, 2009 Memphis, Tenn.

Chapter 2 – Public Participation

Attendees included members of the general public, representatives from state agencies and local governments, TVA's congressional delegation representatives, TVA power distributors, non-governmental organizations, and other special interest groups. Exhibits, fact sheets and other materials were shared at each public meeting to provide information about the study and the EIS. TVA subject matter experts attended each meeting to answer questions and discuss issues about the IRP planning process and TVA's power system and programs.

2.1.2 Written Comments

During the scoping period, TVA accepted comments via email, fax, letters, TVA website, public scoping meetings and a scoping questionnaire. During the public scoping meetings, verbal comments were recorded by court reporters, and attendees were able to submit written comments by logging into the IRP website on TVA supplied laptops. In addition to the public meetings, a scoping questionnaire was developed to elicit public opinion on TVA's future generation and efficiency options. At least part of the scoping questionnaire was completed by 845 people, and almost 640 of these respondents answered the write-in questions as well as the multiple-choice questions.

During scoping, including the survey responses, TVA received over 1,000 comments. Sixty-five email comments were received from individuals and organizations and an additional 50 comments were submitted through the TVA website. It is estimated that approximately 200 attended the public scoping meetings, and, of these, 40 submitted comments during those meetings.

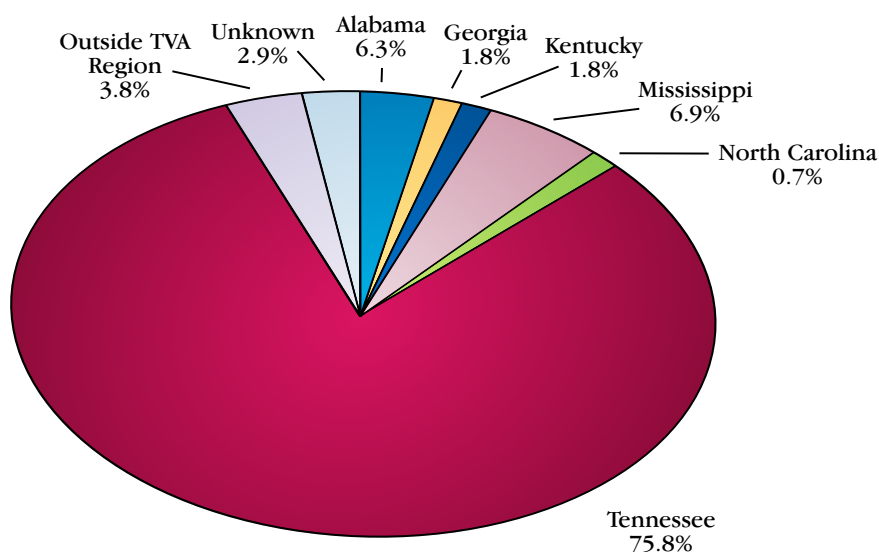
Comments were received from four federal agencies and 20 state agencies representing six of the seven TVA region states. Some of these responses included specific comments, which are incorporated below, while others stated they had no comments but asked to review the draft IRP and associated EIS. Some comments from agencies, organizations and individuals were specific to TVA's natural and cultural resource stewardship activities and were not included in this scoping report because they are the focus of another planning process—the preparation of a TVA Natural Resource Plan and associated EIS.

In total, scoping comments were received from six of the seven TVA region states as well as some states outside the TVA region. Figure 2-1 shows the distribution of scoping comments by geographic area.

2.1.3 Results of the Scoping Process

Many of those completing the scoping questionnaire expressed a willingness to take various measures to reduce their energy use or pay higher rates for cleaner energy. The willingness to undertake some measures increased with the availability of financial incentives. The comment responses provided beneficial insight to some of the public's perception of TVA programs and willingness to invest in certain resource options. However, control questions in the survey indicate that the survey population does not necessarily represent the general public. To ensure a wider representation of opinion, TVA decided to conduct a phone survey of approximately 1,000 individuals across the entire TVA region. The survey is discussed in Section 2.2.3 under the Techniques for Collecting Public Input during the Evaluation and Analysis Period.

Figure 2-1 – Distribution of Scoping Comments by Geographic Area



Other scoping comments addressed a wide range of issues, including the integrated resource planning process; preferences for various types of power generation; increased energy efficiency and demand response; and the environmental impacts of TVA's power generation, fuel acquisition, and transmission operations. Comments on these issues are briefly summarized below, and the scoping comments are listed in more detail in the EIS Scoping report issued in October 2009.

Chapter 2 – Public Participation

Cost of Electricity

The issue most frequently mentioned in the scoping comments was the cost of electricity. While a large number of the commenters were opposed to any future price increases, a number of those completing the questionnaire expressed a willingness to pay more (\$1-\$20) per month for TVA to increase generation from non-greenhouse gas emitting sources.

Reliability

Reliability and the ability to meet future demand were also among the most frequently mentioned issues. A number of commenters expressed concern about and/or dissatisfaction with TVA's corporate direction, TVA facility maintenance, and TVA's ability to adapt to future conditions.

The Integrated Resource Planning Process

Several commenters addressed the integrated resource planning process. Their comments recommended that TVA: follow industry standard practices; enter the process without preconceptions about the adequacy of various resource options; be open and transparent throughout the planning process; treat energy efficiency and renewable energy as priority resources; and address the total societal costs and benefits.

Recommended Energy Resource Options

Many scoping comments included general recommendations about TVA's future supply- and demand-side resource options. Common themes in the comments were that TVA's future resource portfolio should avoid or minimize rate increases, minimize or reduce pollution and other environmental impacts, and maximize reliability. The most frequently mentioned generalized resources included increased renewable generation (including wind, solar, locally-sourced biomass and low-impact hydro), decreased coal-fueled generation and increased nuclear generation.

Other comments pertained to decreased nuclear generation, increased energy efficiency and demand response programs, reliance on a diversity of fuel sources, avoidance of uneconomical renewable generation, and the need for a modernized or "smart" transmission system. A few commenters recommended specific goals such as 15-20% renewable generation capacity by 2020, 60-70% nuclear generation capacity by 2029, and a 1% annual increase in energy efficiency savings through 2020. Many commenters recommended that TVA take a leadership role (or reestablish its former leadership role) in the research and development of a wide range of supply- and demand-side options.

Environmental Impacts of Power System Operations

A majority of the commenters expressed concerns about the environmental impacts of the TVA power system. General concerns about pollution were the second most frequently

mentioned issue, and over half of questionnaire respondents ranked the issues of air pollutants, greenhouse gas emissions/climate change, spent nuclear fuel, and coal combustion by-products with high importance.

The Kingston Fossil Plant ash spill in December 2008 was frequently mentioned. Many written comments encouraged TVA to decrease its emissions of greenhouse gases while others questioned the human influence on climate change. Several commenters also raised the issue of the impacts of buying coal from surface mines, particularly mountain-top removal mines, and recommended that TVA stop this practice.

Options to Be Evaluated

Scoping participants recommended a large number of traditional and non-traditional supply- and demand-side resource options. TVA has evaluated an extensive list of options, including the traditional industry standard supply and demand side options, options proposed by public commenters during public scoping, and options identified by TVA staff but not widely employed in the industry currently for various reasons. Each option was characterized by a suite of factors and initially screened with various feasibility criteria. The feasible resource options were then placed into groupings consisting of specific combinations of supply- and demand-side options.

2.2 Analysis and Evaluation Period

TVA used three techniques to collect public input during the analysis and evaluation period:

1. Stakeholder Review Group (SRG)
2. Quarterly Public Briefings
3. Phone Surveys

2.2.1 Stakeholders' Review Group

In addition to the public scoping efforts, TVA recognized that it would be difficult to get specific and continuous guidance from the public as the plan developed beyond the scoping period. To obtain more in-depth, ongoing discussion and input from different stakeholder viewpoints throughout the IRP development process, TVA established a Stakeholder Review Group (SRG). The 16-member review group is composed of representatives of state agencies, government, TVA distributors, industrial groups, academia, and non-governmental organizations. In addition to providing their individual views to TVA, SRG members represent their constituency and report to them on the IRP process.

Chapter 2 – Public Participation

The members of the Stakeholder Review Group and their affiliations are as follows:

Lance Brown, Executive Director
Partnership for Affordable Clean Energy
Montgomery, Alabama

Dana Christensen, Associate Director
Oak Ridge National Laboratory
Oak Ridge, Tennessee

Ryan Gooch, Director, Energy Policy
Tennessee Dept. of Economic and Community Development
Nashville, Tennessee

Louise Gorenflo
Sierra Club
Crossville, Tennessee

Richard Holland
Tennessee Paper Council
Nashville, Tennessee

George Kitchens, General Manager
Joe Wheeler Electric Membership Corporation
Trinity, Alabama

Henry List, Deputy Secretary
Kentucky Energy and Environment Cabinet
Frankfort, Kentucky

David McKinney, Environmental Services Division Chief
Tennessee Wildlife Resource Agency
Nashville, Tennessee

Jerry Paul, Distinguished Fellow on Energy Policy
Howard Baker Jr. Center for Public Policy
Knoxville, Tennessee

David Reister
Environmental Stakeholder
Knoxville, Tennessee

Jan Simek, Acting President
University of Tennessee
Knoxville, Tennessee

Jack Simmons, President and CEO
Tennessee Valley Public Power Association
Chattanooga, Tennessee

Chapter 2 – Public Participation

Stephen Smith, Executive Director
Southern Alliance for Clean Energy
Knoxville, Tennessee

Patrick Sullivan, Policy Advisor
Office of Governor Haley Barbour
Jackson, Mississippi

Lloyd Webb
Tennessee Valley Industrial Committee
Cleveland, Tennessee

Deborah Woolley, President
Tennessee Chamber of Commerce and Industry
Nashville, Tennessee

The SRG met approximately monthly with TVA beginning in July 2009, and held 10 meetings prior to the release of the draft IRP and associated environmental impact statement. These meetings were held at various locations throughout the Valley. Additional meetings are scheduled after the draft IRP and EIS public comment period closes.

The purpose of the SRG is to:

- Provide TVA with in-depth, ongoing input from different stakeholder viewpoints.
- Serve as a source of information, a coordination mechanism, and a professional review group.
- Build efficiency into the study process by providing real-time public input to IRP issues and processes.
- Validate the various steps in the IRP process.

Meeting types included working sessions and workshops. Working sessions were regular meetings, while workshops provided more in-depth information on specific topics to those members interested in attending. At each meeting, TVA facilitated discussions among SRG members on the issues they believed were important to a successful IRP. The individual views of SRG members were collected on the entire range of assumptions, analytical techniques, and proposed energy resource options and strategies. Given the diversity of the makeup of the SRG, there were at times a wide range of views on specific issues. Open discussions among SRG members and TVA staff, supported by data, brought closer understanding of particular issues.

Chapter 2 – Public Participation

To increase public access and transparency to the IRP process, all non-confidential meeting material (presentations, agenda, minutes) have been posted to the IRP project website at tva.gov/irp. During the course of the meetings, bridges of understanding and guidance were built that enhance the quality of this IRP.

2.2.2 Quarterly Public Briefings

In addition to the public scoping meetings described above, TVA held three quarterly public briefings on November 16, 2009, February 17, 2010, and May 13, 2010. Participants could attend in person or by webinar. The format of the public briefings included a brief presentation followed by a moderated Q&A session with the audience. Topics discussed at the public briefings included an introduction to the resource planning process, resource options, development of scenarios and strategies, and evaluation metrics. The public briefings attendance averaged 15-20 in-person participants and approximately 30-40 participants by web conference. Videos of the briefings and presentation materials have been posted on the IRP project website.

2.2.3 Phone Survey

In the initial phase of the IRP, TVA held various public listening sessions and public meetings throughout the Valley. During the sessions and meetings, TVA employees answered questions and solicited public response to identify the public's issues and concerns about TVA's resource planning. In addition, a scoping questionnaire was distributed to participants at these sessions and the results were used to develop a scoping report. Based on these results, TVA conducted a broader phone survey of 1,000 end-use customers across the Valley to:

- Determine primary power generation concerns among the residents of the TVA service area (cost, reliability, use of renewables, etc).
- Determine market potential for voluntary and financially incentivized energy efficiency programs.
- Determine market potential of renewable programs, including Green Power Switch and other existing or planned energy efficiency and demand response programs.
- Estimate potential market pricing for renewable power programs, including the additional amounts Valley residents are willing to pay each month for energy from renewable sources.

Chapter 2 – Public Participation

- Assess Valley residents' attitudes of and satisfaction with TVA, including analysis of each of the services that the organization provides to the Valley.

Initial results indicate that residents within the Valley hold a favorable attitude of TVA, consider system reliability as a critical component of utility services, and would like to see TVA focus on keeping prices affordable.

Full results of the survey will be incorporated into the final IRP report and actions plans.

2.2.4 Overview of Comments Received During the Analysis and Evaluation Period

As was expected, comments received during the analysis and evaluation period were noticeably more detailed than comments received during the initial scoping period. At this point in the IRP process, the public had access to considerably more information on the IRP planning process and was able to ask more specific questions on areas of particular interest with the benefit of better information.

Comments and questions covered a wide spectrum of specificity and subjects. These included specific questions on how the IRP could allow TVA to create infrastructure around future technology projects such as electric transportation and hydrogen fueling stations. Others expressed concerns with respect to TVA's existing fossil generation, particularly coal-fired generation, in light of the uncertainties surrounding future CO₂ price and siting requirements.

Some comments received focused solely on the process used for TVA's IRP planning. For instance, concerns were expressed about changing conditions and TVA's ability to adjust and react using the evaluation process were common among the public. Other concerns surrounding the planning process included the reliability and accuracy of market forecasts in developing the scenarios and questions pertaining to what extent the IRP captures aspects such as retirements fund needs, Kingston issues, and dry ash conversion.

Like the scoping period, these comments greatly assisted TVA in identifying the relevant concerns of the public with respect to resource planning.

2.2.5 Stakeholder Concerns

During the Analysis and Evaluation Period, TVA received ongoing feedback from various stakeholders (such as the SRG) about a variety of issues related to the IRP process, modeling assumptions, and preliminary results. These strategic points of debate include:

Chapter 2 – Public Participation

- **Aggressiveness of EEDR initiatives** – Concerns in this category include questions about the target level of EEDR being studied; the potential for larger amounts of EE that may potentially displace new nuclear capacity; uncertainty about cost, lost revenue impacts and program effectiveness; and questions about measurement and verification of benefits.
- **Renewable Additions to the Resource Portfolio** – This category includes a desire by some stakeholders to make more investments in options inside the Valley as opposed to imported wind power; or questions about system operational impacts caused by intermittent or off-peak resources like wind and solar.
- **Cost of New Capacity** – This category includes concerns about the ability of TVA to design, build and deliver major new capacity (like nuclear) on time and within budget; and questions about the reasonableness of construction cost estimates for new nuclear capacity.
- **Financing Requirements and Rate Implications** – In this category, stakeholders expressed significant concerns about TVA's ability to fund future resource additions due to the current limit on TVA's statutory debt, referred to as the debt ceiling. There were also concerns about potential impacts on short term rates, since TVA's financing options for generation expansion and other types of capital investments are limited to borrowings (limited by the current \$30 billion debt ceiling), and increasing rates to cover the costs of construction, although some stakeholders believe that higher rates may promote more energy efficiency investments.
- **Coal Fleet Asset Strategy** – This category includes questions about the economic and environmental implications of idling certain coal-fired units; concerns about TVA's risk exposure for pending carbon legislation; and issues related to lead-time for positioning fossil assets for layup, retirement, and/or return to service.

TVA is considering these issues, along with the public input received to date, as it develops the final IRP report and encourages reviewers of this draft to submit comments about these or similar issues.

2.3 Draft IRP Public Comment Period

TVA will use three techniques to collect public input during the draft document stage:

1. Public Meetings
2. Webinars
3. Written Comments

Chapter 2 – Public Participation

2.3.1 Public Meetings

Beginning in October 2010, TVA will host four public meetings across the Tennessee Valley. Notice of these meetings will be announced in local and regional newspapers and other media. The meetings will be held in the following cities:

- October 5, 2010 - Bowling Green, Ky.
- October 7, 2010 - Olive Branch, Miss.
- October 13, 2010 - Knoxville, Tenn.
- October 14, 2010 - Huntsville, Ala.

At each of these meetings, TVA plans to present an overview of the draft IRP followed by a moderated Q&A session with a panel of TVA staff. Attendees will be able to address comments or questions to the panel. A transcript and video of each meeting will be recorded. Attendees also have the option of submitting written or verbal comments to a court reporter, should they not wish to address the panel publicly.

2.3.2 Webinars

In conjunction with the four public meetings, members of the public can participate in the public meetings by webinar. Attendees register in advance and are able to access the presentation and participate in the Q&A session from their home computer.

2.3.3 Written Comments

TVA has provided 45 days for receipt of written comments. Comments can be submitted on the IRP project website, emailed, mailed, or faxed to TVA, or provided at one of the public meetings.

2.3.4 Overview of Comments Received During Draft IRP Public Comment Period

TVA will capture all substantive, relevant comments on the IRP and address them in the final IRP and/or associated EIS.